

**CONNECTICUT ASSOCIATION OF COMMUNITY PHARMACIES, INC.**  
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**Human Services Committee**  
**Testimony in Support of HB 5500 AAC Provider Audits Under the**  
**Medicaid Program**  
**March 13, 2014**

Senator Slossberg, Representative Abercrombie and Members of the Human Services Committee, my name is Carrie Rand-Anastasiades. I am the Executive Director of the CT Association of Community Pharmacies. We are an Association representing large pharmacies such as Walgreens, Rite-Aid, Genoa Healthcare and Price Chopper to name a few. I would like to testify in support of HB 5500 AAC Provider Audits Under the Medicaid Program.

Numerous States across the country have passed legislation setting parameters on provider/pharmacy audits to ensure that abusive practices are not used. Audits were originally used as mechanisms to prevent fraud and abuse, which is reasonable and just. Unfortunately, pharmacy audits have become a way for States to collect huge fines from local providers. They are no longer focussed on fraud, waste and abuse but technical miscues. In terms of the pharmacy community, that just underwent audit, tens of million of dollars were racked up for mistakes, like physicians not using tamper resistant pads for controlled prescriptions, that pharmacies did not even make. These administrative mistakes were extrapolated across the entire book, of Medicaid business, ot just those prescriptions under review, resulting in millions of dollars in fines paid to the State. For one such company doing business with the State, the liability was \$12 million dollars.

Pharmacy reimbursement has been cut so low that we have seen numerous pharmacies go out of business or opt out of participating in the State Employee Plan. Using tactics like this further reduces the pharmacy's profitability and wether they can continue to service the Medicaid population.

Although we would like to work with the Committee on the fine details, we feel this is a good bill that curtails abusive extrapolation practices. We urge you to support this legislation.

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